

QUARTERLY REVIEW 3Q 2017



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November 7, 2017



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This presentation also includes some non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with accounting principles generally accepted in the United States and our reconciliations in our earnings release dated November 7, 2017, which is posted at www.atlasair.com.

Key Takeaways

Continued good business momentum in 3Q17

Significant revenue and volume growth

Higher yields and utilization

3Q performance partially offset by hurricanes, maintenance expense and operational disruptions

Positioned for further business growth

- **Growth in Asia and an expansion of the global middle class are transforming the global economy**
- **Focused on express and e-commerce and the fast-growing Chinese and Asian markets**

Third-Quarter Earnings

Revenue

20%
increase

Block Hours

20%
increase

New Services

Started
flying for

- DHL Global Forwarding
- Hong Kong Air Cargo

Aircraft Utilization

Increased
in ACMI and Charter

Direct Contribution

Higher
in all segments

Expanded
relationship with

- Nippon Cargo Airlines by operating second 747-400F

Amazon Ramp-Up on Track

10

- Placed seventh 767-300 in August
- Placed aircraft 8, 9 and 10 in October

Hurricane Relief Efforts



Hurricanes Maria, Irma and Harvey

- Provided support and assistance to affected communities
- In September, provided relief to affected pilots, other employees, and their families in Miami and Houston areas
- Made charitable donations for local recovery efforts
- In October, delivered 117 tonnes of humanitarian aid to Puerto Rico
- Also operated multiple relief charters on behalf of Atlas and our customers
- Supplies delivered with the speed that only airfreight can provide

2017 Framework

Business

- **Stronger** company
- **Solid demand** for our services

Block Hours

- ~**20% increase** over 2016
- ~75% of total in ACMI
- Balance in Charter

Adjusted Net Income

To grow by a high-single to low-double-digit percentage compared with 2016

Other Key Items

- **Maint Exp** ~\$275 million
- **Depr/Amort** ~\$165 million
- **Core Capex** ~\$75-\$80 million



3Q17 Summary

Adjusted income from continuing ops*
\$29.7 million

Due to warrant accounting,
reported loss from continuing ops
\$24.2 million

Unrealized loss on warrants
of \$44.8 million due to
increase in stock price

Benefited from...

**20%
increase**
in revenue

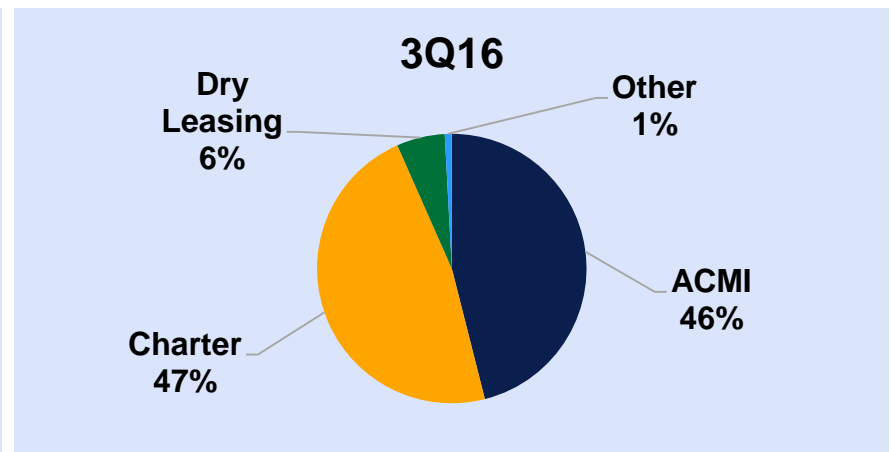
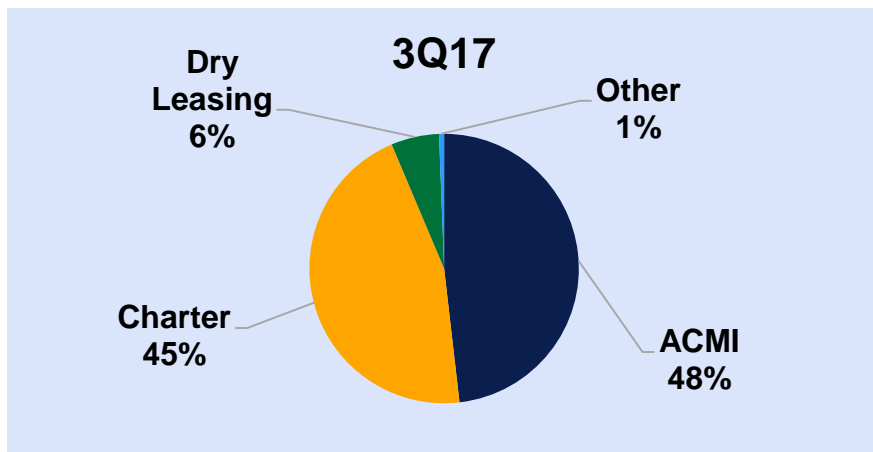
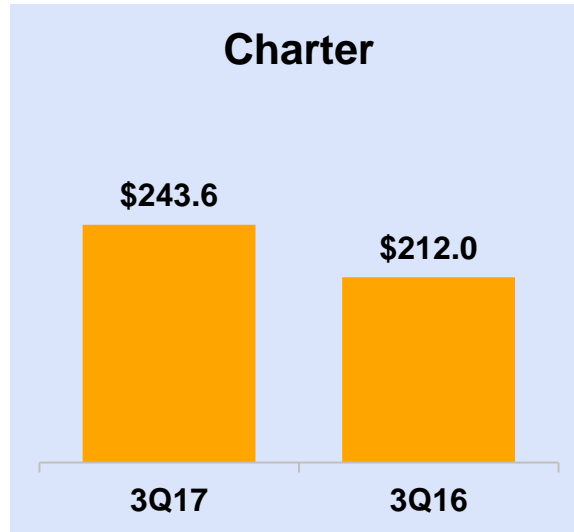
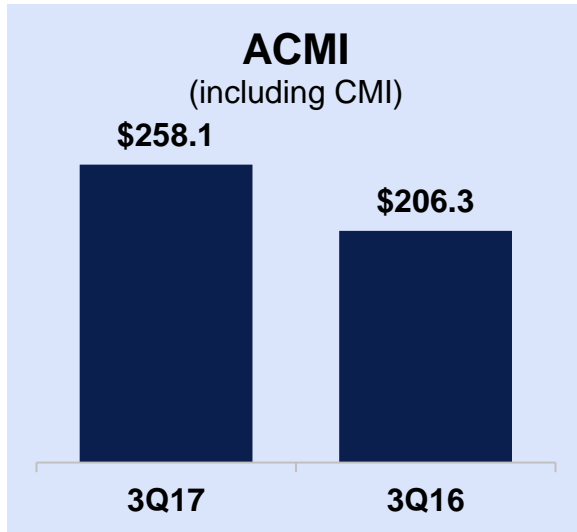
**20%
increase**
in block hours

Higher contribution
in all segments

*See November 7, 2017 press release for Non-GAAP reconciliations

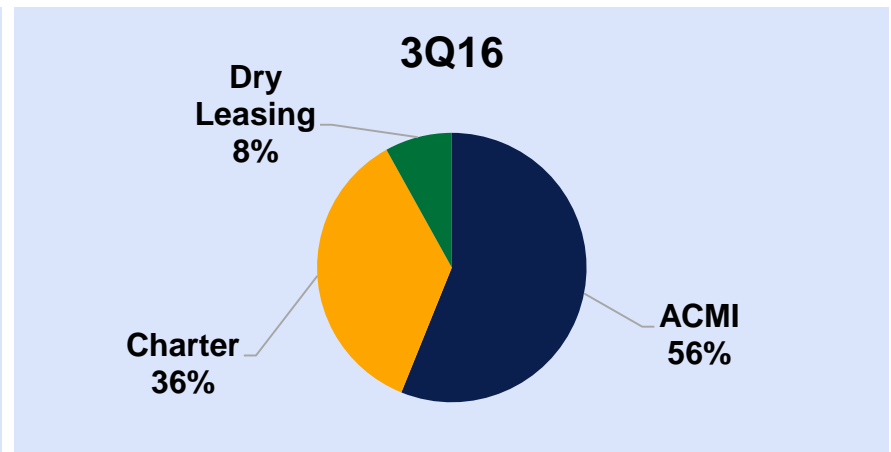
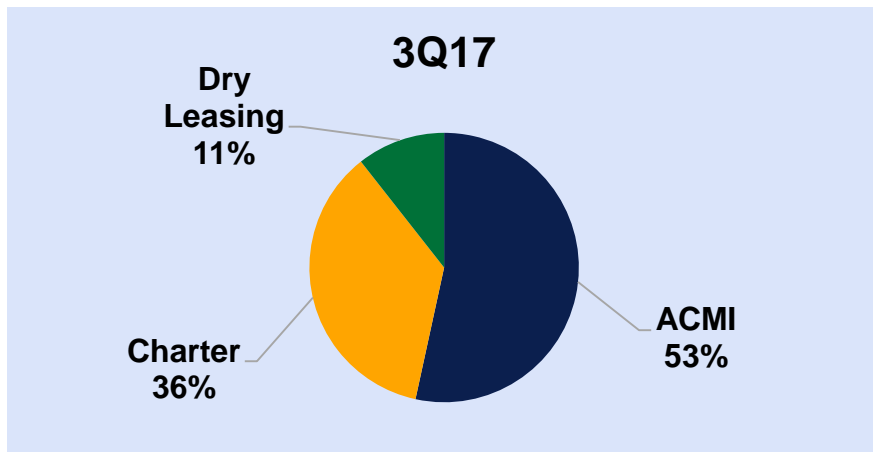
3Q17 vs. 3Q16 Segment Revenue

Revenue (\$MM)



3Q17 vs. 3Q16 Segment Contribution

Direct Contribution (\$MM)



Balance Sheet & Financial Ratios

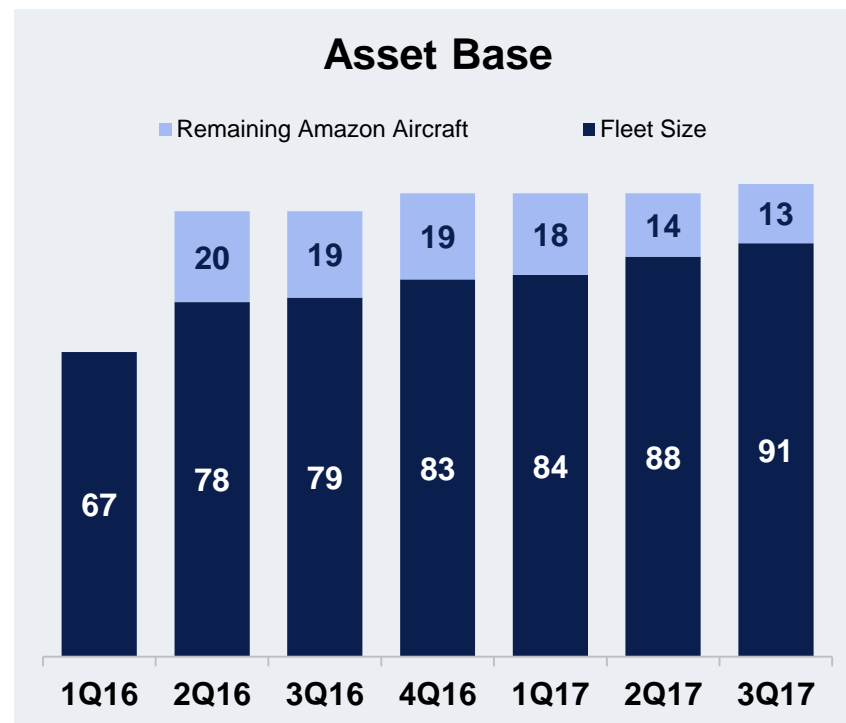
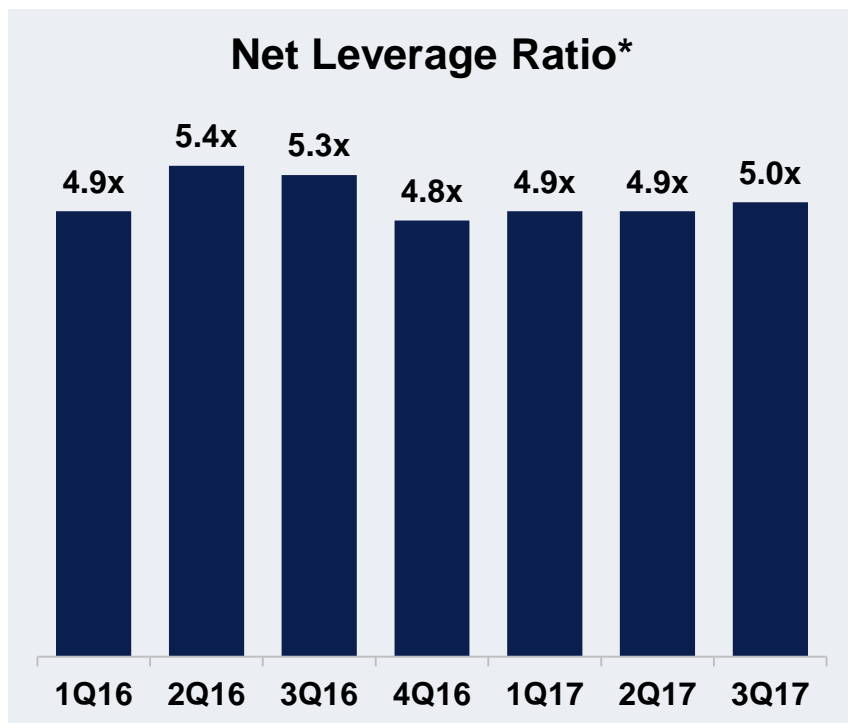
(In \$Millions)

September 30, 2017

December 31, 2016

Cash, Equivalents, S-T Investments & Restricted Cash	187.0	142.6
Total Balance Sheet Debt	2,105.3	1,851.4
Net Leverage Ratio*	5.0x	4.8x

Net Leverage Ratio and Asset Base



**Expect to pay down
~\$50 to \$55 million
of debt per quarter**

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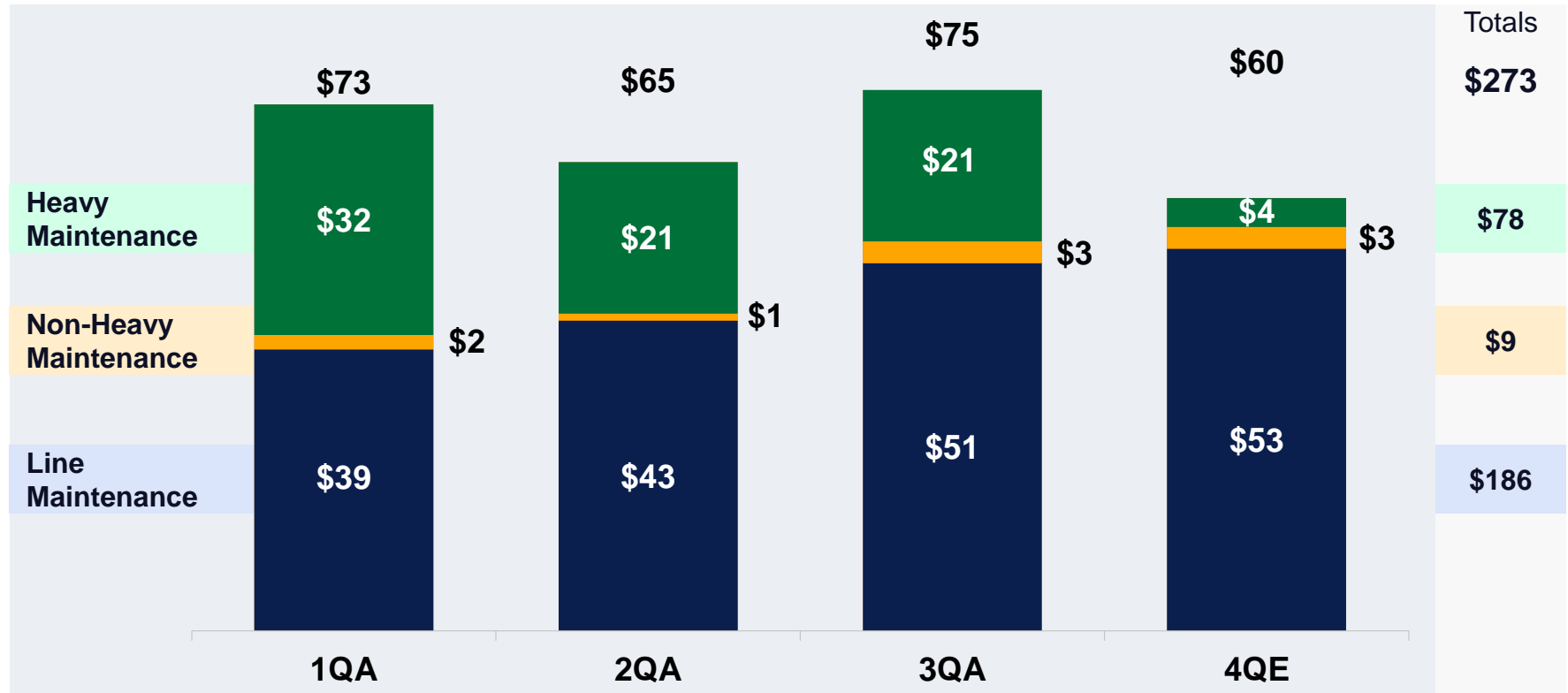
- **Growth in Asia and an expansion of the global middle class are transforming the global economy**
- **Focused on express and e-commerce and the fast-growing Chinese and Asian markets**



Appendix

2017 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$736 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls

Reconciliation to Non-GAAP Measures

(In \$Millions)	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Face Value of Debt	\$ 2,259.8	\$ 2,307.2	\$ 2,068.1	\$ 1,943.4	\$ 1,967.7	\$ 2,001.7	\$ 1,972.2
Plus: Present Value of Operating Leases	681.9	661.0	678.6	749.9	774.7	799.4	823.7
Total Debt	2,941.8	2,968.2	2,746.7	2,693.2	2,742.4	2,801.1	2,795.9
Less: Cash and Equivalents	\$ 176.3	\$ 282.7	\$ 118.9	\$ 138.3	\$ 115.6	\$ 168.3	\$ 331.9
Less: EETC Asset	29.9	30.9	31.9	32.3	34.8	35.8	38.1
LTM EBITDAR	\$ 546.8	\$ 543.1	\$ 525.6	\$ 526.0	\$ 485.9	\$ 484.7	\$ 496.4
Net Leverage Ratio (Incl. EETC Invest)	5.0x	4.9x	4.9x	4.8x	5.3x	5.4x	4.9x



Thank You

